



# Missouri Department of Natural Resources

## MINUTES

### MISSOURI SOIL AND WATER DISTRICTS COMMISSION

#### DNR CONFERENCE CENTER

#### JEFFERSON CITY, MISSOURI

November 4, 2004

**COMMISSION MEMBERS PRESENT:** Elizabeth Brown, Larry Furbeck, Leon Kreisler, and Philip Luebbering

**EX-OFFICIO MEMBERS:** DEAN THOMAS PAYNE, UNIV. OF MISSOURI: David Baker; JOHN HOSKINS, DEPT. OF CONSERVATION: Brad McCord; STEPHEN MAHFOOD, DEPT OF NATURAL RESOURCES: Scott Totten

**ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM:** Sarah Fast; NRCS: Dwaine Gelnar; MASWCD: Steve Oetting

**STAFF MEMBERS PRESENT:** Niki Aberle, Davin Althoff, Gary Baclesse, Milt Barr, Jim Boschert, Chris Evans, Noland Farmer, John Forsyth, Rose Marie Hopkins, Gina Luebbering, Dean Martin, Theresa Mueller, Marcy Oerly, James Plassmeyer, Josh Poynor, Jeremy Redden, Ron Redden, Kevin Scherr, Judy Stinson, Ken Struempfh, Chris Wieberg, Bill Wilson

**OTHERS PRESENT: DISTRICTS:** BARTON: Ben Reed; BATES: Joyce Rider; DALLAS: Tony Rosen; FRANKLIN: Laura McKeever; MARIES: Sandy Hutchison; MONITEAU: Carl Allee; MONTGOMERY: Ann Whitehead; TANEY: Kathryn Braden; WARRENTON: Chris Merritt; **STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE:** Harry Bozoian; Zora Mulligan; **DEPT OF NATURAL RESOURCES:** Aimee Davenport; **OTHERS:** NRCS: Dick Purcell; MASWCD: Peggy Lemons; **UNIVERSITY OF MISSOURI:** Steve Jeanetta; **INDIVIDUALS:** William Hays

#### A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, in the Bennett Spring/Roaring River Room at 8:40 a.m.

#### B. MINUTES OF THE LAST MEETING

Larry Furbeck made a motion to approve the minutes of the September 10, 2004 commission meeting as mailed. Leon Kreisler seconded the motion. When asked by the

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 2

chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **C. CLOSED SESSION**

Larry Furbeck made a motion to go into closed session pursuant to Section 610.021, RSMo 2000 (as amended), to discuss legal, confidential, or privileged matters under §610.021(1), RSMo; personnel actions under §610.021(3), RSMo; personnel records or applications under §610.021(13), RSMo; audit issues under §610.021(17), RSMo; or records which are otherwise protected from disclosure by law under §610.021(14). Philip Luebbering seconded the motion. When polled Elizabeth Brown, Larry Furbeck, Leon Kreisler, and Philip Luebbering voted in favor of the motion and the motion carried unanimously.

Philip Luebbering made a motion to go out of closed session. Larry Furbeck seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

Harry Bozoian stated that in the closed session, the commission discussed a matter in Osage County in regard to Nutrient Management plans for Special Area Land Treatment (SALT) Program. The commission voted unanimously to do a comprehensive review of the 32 claims with regard to soil testing on the waste utilization and nutrient management claims paid in FY04. Mr. Bozoian asked for a poll vote as to how the commission voted on the review of the past claims for FY04. A poll vote was taken. Philip Luebbering, Larry Furbeck, Leon Kreisler, and Elizabeth Brown voted in favor of the review.

### **D. PLANNING**

- 1. Strategic Planning Update - Area Meeting Overview – Steve Jeanetta - UMC**  
Steve Jeanetta presented an update on the planning that was done at the Area Meetings that were held in August.

At the area meetings, three questions were asked. The first was, “What changes do you see happening in your district that may be affecting the work of your district?” The second question was, “What do you think are the priorities for your district in the next ten years?” The last was, “What themes did the priorities fit into?” The themes were education, soil conservation, water issues, changing land-uses, and administration. Under each of the themes, the priorities were broken down to statewide, regional, or program. Some of the priorities under the education theme for statewide were the passage of the tax, continue to control soil and water quality, maintain and hire qualified staff, communicating with landowners, partners, and the community, and education programs. Some of the

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 3

water issues statewide were meeting “T”, more cost-share practices, benefits of measuring water quality, and liability. For soil conservation statewide, some were passage of the tax, meeting “T”, and meeting the landowners’ needs. Changing land-uses statewide were educating the public on the importance of passing the tax, farm size, cost-share on fencing, maintaining cost-share, and increasing the dollars were a few priorities. There was a lot of overlap between the themes.

Mr. Jeanetta stated that at the Training Conference there would be a room with a table for each of the areas with the priorities they developed for their area. There will also be summaries there as well as, what the other areas developed. The state plan will be developed from the themes.

Sarah Fast stated the workshops for the planning would be on Monday, November 29, at 3:00 and the second is scheduled for Tuesday, November 30, at 2:00. Ms. Fast also stated that at the January commission meeting they hoped to have all the information from the Area Meetings summarized in the themes.

Elizabeth Brown introduced Dwaine Gelnar who was sitting in for Roger Hansen and Zora Mulligan who will be taking Harry Bozoian’s place as legal advisor to the commission.

### **2. District Employee Benefit Grant**

Jim Boschert presented a review of the employee benefit grant for calendar year 2005, the history of the grant, the rates, and a projection of cost for the current fiscal year.

In FY01, the commission started a new grant for health insurance and retirement for district employees who worked over 1000 hours in a fiscal year. Their retirement is set a 5 percent of their gross salary. The retirement can be updated twice a year and the districts are responsible for getting their own health insurance and retirement plan for their employees. Missouri Consolidated Health Insurance rates are used for a funding level because this company is the only one that will give a county-by-county rate. The most the commission reimburses a district is the least-cost Missouri Consolidated rate, less the \$10 copay. Mr. Boschert pointed out that the initial funding for the grant was \$848,460 in FY01 and was raised to \$1,261,992 in FY02. The current amount has remained at \$1,261,992 since FY02.

Missouri Consolidated has divided the state into eight regions and offers different health care packages at different rates. According to information presented the northwest, northeast, west south central and southeast regions’ lowest premium is \$507.27 and the east, central, and southwest regions’ lowest premium is \$383.02.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 4

The central region's lowest premium will increase by 14 percent, two areas of the state will have a decrease in their lowest premium. The east area will see a decrease in their lowest premium of 12 percent, and the southwest will see a decrease of 10 percent.

One of the changes that Missouri Consolidated has is that employers that have less than 25 employees have to choose the same health care plan for all of their employees. This means that there will be only a PPO or a POS plan, not two. The districts had to decide which plan they wanted to have for their employees by August 26<sup>th</sup>. Another change is that districts are required to sign a two-year contract with Missouri Consolidated. The problem with this is if a district terminates participation with Missouri Consolidated prior to the end of the contract, then the district would have a penalty of \$10,000 or two month's premiums, whichever is greater and would not be eligible to rejoin for two years. The final change is for districts that want to join Missouri Consolidated for the first time will have to fill out an application with questions regarding past health issues in order for the district to be underwritten. The rate will be based on the past health of the district employees. This rate could be more or less than the current rates that are being used for the county from Missouri Consolidated.

The projected amount that will be claimed by the districts for retirement is \$341,159 for FY05, which is an increase of \$21,391 or 7 percent over the amount claimed during FY04. For health insurance, it is projected that the districts will claim \$928,753, which is an increase of \$138,494 or 18 percent over the amount claimed in FY04. Mr. Boschert stated there was the possibility of an additional 14 employees claiming health insurance benefits for a total of 249 for FY05. Due to an increase in employees wanting to claim health insurance expenses, it is projected there will be an 18 percent increase in expenses.

These projections were based on maintaining current Commission policies. Current commission policy for health insurance is that the commission will reimburse districts the lowest Missouri Consolidated premium less \$10 or the employee's monthly premium less \$10, whichever is less. The commission allows districts to update their salaries twice a year on July 1 and January 1, and will allow 5 percent of their gross salary toward a retirement plan.

The amount projected to be claimed will total \$1,269,912, which is \$7,920 more than the amount available in the benefit grant. These numbers were not based on the most expensive scenario, which would be if all districts used Missouri Consolidated rates. It was noted that there are 147 district employees that have a rate less than Missouri Consolidated's rates. If all employees were to claim the Missouri Consolidated rate for the second six months of the fiscal year, a total of

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 5

\$1,083,905 would be claimed. This amount added to the retirement expenses of \$341,159 would total \$1,425,064, which is \$163,072 more than is available in the benefit grant.

Three options for addressing the possible shortfall were a supplemental budget request, grant management at the state level, or to change funding levels to the districts. A supplemental budget request would have to be approved by the Department of Natural Resources, then by the legislature, and by the governor. The funds would have to be spent by the end of the fiscal year. Under the grant management, the commission could use unused funds from the district assistance allocation to pay for any additional benefit expenses, or limit the dollars that are released in the Matching Grant Program after the January 31<sup>st</sup> deadline. The last option could be to raise the copay for health insurance. The example presented was if the copay was raised to \$18, then it would decrease the health insurance expenses by roughly \$11,952.

When asked where the idea of the \$10 copay came from, Mr. Boschert stated that when the benefit grant was started, that was the copay state employees had and there was a discussion at that time to parallel. When asked why the maximum amount of the shortfall was being based on everything going over to Missouri Consolidated, Mr. Boschert stated this scenario was presented to show the commission the worst case. When asked what his best guess on the cost of the switchover, Mr. Boschert stated the projection of the shortfall was pretty accurate. In response to a question about the two-year contract and the \$10,000 fine, Mr. Boschert stated that only 75 percent of the employees for the district had to be participating. In response to a question, Mr. Boschert stated that if the commission was going to do anything that would affect the districts such as freeze the health insurance or retirement amounts at their current levels or increase the copay, then the districts would need to be notified as soon as possible.

Ben Reed stated that for a shortfall of \$8,000, he would hate to see the commission change policy for district employees or districts when there is a possibility of having \$160,000 carried over from another plan. He urged the commission to look at using unused district assistance funds for the benefit expenses.

Larry Furbeck stated he thought the copay should be in line with the rest of the state employees. Elizabeth Brown stated that would not cover the whole shortfall. Mr. Furbeck explained it would cover \$8,000. Mr. Boschert stated it would save approximately \$12,000 in the grant. Ben Reed reminded the commission of benefits state employees get that district employees do not.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 6

Steve Oetting stated that at about the same time last year this issue of raising the copay came up and he received 70 to 80 letters about the differences in benefits of state employees and district employees. The districts felt they either wanted benefits equal to state employees or to keep the copay at \$10. Mr. Oetting stated he would like to see the commission keep the copay as is. When asked if the commission needed to plan further ahead then beyond just this shortfall, Ms. Fast stated that there is a budget request in for next year to increase the amount.

Philip Luebbering made a motion to use unused district assistance funds for the benefit expenses. Leon Kreisler seconded the motion.

Mr. Furbeck stated he had a problem with the above motion, because you would be pulling funds out of another area. He felt that it needed to be self sufficient within its own budget item and to raise the copay to cover the shortfall. When asked if the next year budget request would cover next year, Mr. Boschert stated it would.

A poll vote was taken. Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and Larry Furbeck voted against the motion. The motion passed.

### **3. Budget and Audit Update**

Milt Barr presented a review of the first quarter of FY05 revenue and expense summaries. Mr. Barr provided a quick review of the Sales Tax Revenue Cycle, stating that 1/10 of 1 percent of the General Sales and Use Tax is split evenly between State Parks and the Soil and Water Conservation Program. The monthly deposits usually reflect the previous 30 or more days' activities.

In the first quarter, there was a 4.40 percent sales tax revenue increase over the first quarter last year of \$416,346. In comparing FY04 and FY05, the consumer spending cycles were basically the same for both years, with stronger sales for FY05. Mr. Barr reminded the commission that the department-planning rate for 2005 and 2006 used an increase of 4.5 percent for the Parks and Soils Tax for FY05, which was close to the first quarter rate of 4.4. In reviewing and comparing first quarter expenditures there was a 14.7 percent increase for FY05 compared to FY04. The first quarter of FY05 the expenditures were \$6,110,411; in FY04 the first quarter expenditures were \$5,347,709. FY04 first quarter expenditures were unusually low due to requests for payments being received later and processed in the second quarter. FY05 indicates processing more in the first quarter.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 7

Mr. Barr stated that the FY05 budget, revenues, and expenditure figures were within acceptable limits and appeared to be on track for another successful year.

The total approved budget for the current fiscal year is \$38,545,565. This amount included a small pay increase for personnel services over FY04. Mr. Barr reviewed the changes for FY05 in that the programs do not use re-appropriation authority to manage multi year projects and activities any more. The programs with multi-year activities now have annual estimated authority to be able to continue to fund amounts for current year and multi year activities in the annual budget. Current projections for FY05 indicated that the research program would be the only program so far, that would appear to need the estimate authority and the others are projected within the annual appropriated authority. The projected budget for FY06 has an increase for benefits for district grants of \$241,043 as previously approved by the commission and a small increase in personal services of approximately \$9,500 of support services that will be reallocated back to the program after the program moves to the new Lewis and Clark Building.

Next, Milt Barr presented an update pertaining to the State Auditor's report for the Department of Natural Resources and the Soil and Water Conservation Program. The state audit report primarily focused on accounting transactions for FY00, FY01, and FY02. It also focused on management practices, as well as compliance with state laws, regulations, and agency policies in several areas of state grants. The actual audit process occurred over a 2½-year period, because of the length of time, some of the recommendations had been identified and changes implemented before the end of the audit.

In Section 3 of the audit report, the auditor made four recommendations. The first recommendation was that the commission should conduct a more detailed study to quantify objective costs or goals, how to use the soil sales tax, and to consider more conservation practices for all districts. Action for this recommendation has been implemented. The commission implemented action in the form of approving the detailed strategic planning research study for the future that began in FY03. The commission has also indicated that it will continue its current endeavors to review, consider and implement new conservation practices based on environmental and resource protection value as they are identified. The second recommendation was to reevaluate how administrative district grant funds are being allocated and determine the most cost-effective method. This recommendation is not being implemented. The commission has continued to review the current allocation process annually and has determined this process is the most cost-effective method to administer grant programs for overall district needs. The third recommendation was to establish procedures to ensure documented reviews of cell phone use. This recommendation has been

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 8

implemented. In April 2003, internal controls were added requiring reviews of all phone bills by supervisors before they are paid. The last recommendation made was to review travel expenditures for future out-of-town meetings to determine the most cost-effective options to meet program needs. This recommendation has been implemented in that the current program and departmental review process includes close review of this type of determination for out-of-town meetings to include determination of the most cost-effective options in order to meet the programs needs and/or requirements as identified by the department.

In Section 4 of the audit report, the auditor made three recommendations. The first was to ensure Soil and Water Conservation District (SWCD) board minutes are obtained and reviewed for compliance; ensure all commission and district minutes and notes are properly approved; ensure SWCD regular meeting minutes document reason(s) for going into closed session. Actions were taken to implement all parts of the recommendations. Copies of SWCD board minutes were obtained immediately for the specific district files noted missing. In May 2003, a program policy (2003-042) was established for tracking board minutes from districts in conjunction with the quarterly request for funds. In September 2002, a memo (2003-006) reviewing audit findings in districts was sent to all districts to ensure follow ups and compliance, especially those involving the Sunshine requirements for meetings. The second recommendation was to ensure all annual audits of the SWCDs are conducted and follow-up actions taken. Upon approval by the department, the program initiated its own actions to procure a contract through the state for vendors to conduct the required audits. The program was very successful and as of the week of the commission meeting the contract selection has been made for the vendors to start the audits this fiscal year. The last recommendation was to ensure the DNR Internal Audit Section performs an audit of the internal controls of the SWCP. The action for the recommendation was implemented in FY03 by consolidating all program internal control plans, at division level, for their review and submission to the department Internal Audit Section for review and approval.

In Section 5 the recommendations were to require canceled checks to ensure costs are accurate; require itemized invoices with dates of actual payment; ensure claim files contain copies of all documents; and ensure denied claim review and approval procedures are followed. Itemized invoices and denied claim approval procedures were already documented in guidance to the districts. The action for the canceled check recommendation has been approved by the commission in a policy effective January 1, 2005, which will require all districts to use canceled checks as supporting documentation for material expenses of \$500 or more shown on applications for reimbursement. The second recommendation was to discontinue use of the signature stamp for administrative review and approval of



## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 9

claims. After further discussion with audit staff and ensuring adequate controls by the director, the program will continue to use the stamp for the administrative purpose. The program director controls the use of the stamp and it is for administrative use of reviews instead of thousands of signatures only and not for claim approval. The last recommendation was to ensure SWCDs dispose of equipment purchased with state funds in accordance with program policies and procedures. The action taken was that the District Assistance Section published guidance for the districts for appropriate equipment disposal in the form of program policy memo number 2004-042, dated April 14, 2004.

In summary, of the ten areas with recommendation by the auditor, eight areas have had actions taken to implement the recommendations and the two areas discussed, district funding formulas, and administrative signature stamp will continue without further action. Mr. Barr indicated the overall audit report showed no surprises or significant issues.

When asked if auditing the districts was done every three years, Mr. Barr stated that was the criteria. The contract has between 30 and 40 audits a year. Milt indicated that Bill Wilson would describe the details later in the meeting.

### **E. REVIEW/EVALUATION**

#### **1. District Assistance Section**

##### **a. Review of FY2004 District Assistance Grant Usage**

Jim Boschert presented a review of FY04 district assistance grants. The total included \$6,400,000 for district assistance grants, \$1,261,992 for the benefit grant, and \$250,000 for the information/education grant. It was noted that in FY04 there was an expansion of \$250,000 in the grants for districts, which was the information/education grant.

Of the \$7,911,992 in the district assistance grants, \$7,506,117 or 95 percent was spent. Management services grant made up 37 percent of the total amount of the district assistance grants. The management services funds were used primarily for gross salary, benefits, and travel expenses for the district managers, district clerks, and information/education specialists. The technical services grant used 28 percent of the funds. These funds were used primarily for gross salary, benefits, and travel expenses for district technicians. The administrative expenses grant made up 8 percent of the total. These funds were used primarily for information/education activities, office administration, supervisor expenses, office equipment, and other items. The remainder of the funds were used for the administrative expenses grant, matching grant program,

## MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION

November 4, 2004

Page 10

health insurance for district employees, retirement for district employees, the new information/education grant, the remaining 5 percent went unused by the districts.

In FY04, districts spent 99 percent of the management services grant, 98 percent of the technical services grant, and 97 percent of the administrative expenses grant, which were constant with the numbers for the last few years.

In the Matching Grant Program, each district is allotted a \$4,000 1:1 matching grant. By the end of January, the districts must propose how they wish to spend these funds, and if any funds are not proposed to be used, may be released by the commission to other districts. They then have until the end of the fiscal year to spend the funds. Districts claimed \$502,065 of the allocated \$570,000. This amount was claimed due to the commission over obligating in the Matching Grant Program. The amount of proposals received was \$655,882 with claims of \$502,065. Health insurance and retirement expenses used 91 percent and 92 percent. The information/education grant claimed 64 percent of the grant.

A total of \$502,065 was claimed from the Matching Grant Program with technical personnel having the largest percentage claimed at 24 percent. There was 12 percent of the funds not claimed.

In the district assistance funds, 84 percent of the \$7,911,992 available was used for personnel, and 11 percent was used for other expenses. This includes information/education activities, office administration, supervisor expenses, machinery, office equipment, and other items. Mr. Boschert reiterated that 5 percent of the total dollars available went unused. Of the \$405,875 not used, \$152,411 was from the benefit grant. According to Mr. Boschert, next year both the benefit grant and the information/education grant will have fewer funds left unused.

### **b. Information/Education Grant**

Jim Plassmeyer presented a review of the Information/Education Program. This program was started in FY04 as a competitive program between the districts to fund new and innovative projects for the districts. The Loan Interest-Share Program redirected \$250,000 for information/education. The proposals received from districts are reviewed and ranked by the review committee and then presented to the commission for approval.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 11

Out of the \$183,256 that was allocated by the commission, \$66,744 was left to be re-allocated. Due to this, the commission decided to send out another call for proposals with the stipulation that the proposals had to be for this fiscal year and could not include salaries. The review committee consists of a commissioner, staff from University Extension, the Department of Agriculture, Natural Resource Conservation Service (NRCS), the Department of Conservation, and program staff. The committee received 18 proposals for a total of \$79,404. On October 4, 2004, the review committee reviewed and ranked the 18 proposals received and recommended all but one. The 17 proposals totaled \$45,686.

Some of the reasons the committee did not recommend the full amount requested to the commission, was that the proposals lacked enough information, contained a large amount of promotional items, or mileage was included for agency staff.

A suggestion from the committee was that it needs to be made clear to the districts that the partners should be agencies or individuals who will contribute financially and in-kind, to make the project a success. Not with the people where the project will take place. Another suggestion was that it be required that the districts get a local representative from NRCS, Extension, and MDC to sign the proposals because some of the staff with these agencies do not realize the districts are working on a project which will need these local agencies' support.

When asked about a couple of districts that had their requested funding cut, Mr. Plassmeyer stated there was not enough information about the specifics of the projects. Mr. Plassmeyer reiterated there were no funds for salaries in this round. In response to a question about asking for more information, Mr. Plassmeyer stated that it would be up to the commission if they wanted to request more information on the projects. David Baker stated that if they went back and asked for more information on these then they would have to go back to all that were reduced or cut because of the lack of information. Mr. Baker stated the expectations were clear on the type of information wanted, and what was expected. Mr. Plassmeyer stated that a letter is sent to the district explaining why the funding was cut and committee comments.

Larry Furbeck made a motion to approve the list. Philip Luebbering seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 12

### **2. Land Assistance Section**

#### **a. Cost-Share**

##### **1. Monthly Cost-Share Usage and Fund Status Report**

Noland Farmer reported that districts obligated \$9,700,000 of the \$24,000,000 that had been allocated. Last year, they obligated \$10,900,000 of the \$23,900,000 allocated. As of September 30, 2004, the districts had claimed \$1,500,000 compared to \$1,700,000 for the same time last year.

The districts have been allocated \$24,000,000 for use this fiscal year. It is projected that they will only claim \$20,000,000 of the allocation because it is unlikely that the entire \$24,000,000 would be claimed. This projection was based on amounts claimed in previous years.

As of October 31, 2004, \$2,600,000 in claims had been processed. As of November 2, 2004, the program office had received \$2,800,000 in claims, which is less than the \$3,300,000 for the same time last year.

#### **b. Special Area Land Treatment (SALT)**

##### **1. Review of Proposed Nutrient Management and Waste Utilization Practice and Review of Proposed Pest Management Practice**

Gary Baclesse presented a review of the changes for the SALT Nutrient Management and Waste Utilization practice specifications and the Pest Management practice specifications.

This issue was tabled from the last commission meeting due to the commission asking staff to provide a comparison of the recommended changes proposed in the SALT Management practices to the NRCS practice specification. SALT staff and NRCS worked together to put together a SALT Nutrient Management and Waste Utilization and Pest Management comparison. A committee was also created to discuss the comparisons to ensure the recommendation in the SALT practice specification were not outside NRCS specifications. The committee was made up of individuals from the University of Missouri, Department of Agriculture, and NRCS, district employees, and the SALT Unit Manager.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 13

The committee was asked to consider if there were significant differences between the SALT specifications and the NRCS specifications, and what changes, if any, should be considered to bring the two sets of specifications closer together. These questions were asked on each item on the comparison sheet. All comments were considered and the changes that were agreed to by the committee were done on a consensus basis. After review and discussion, it was the general consensus that there were no significant differences between the staff recommended specifications and the NRCS specifications.

The committee discussed the issues of the amount nitrogen that needs to be applied to pastures. Many times, the soil test recommendations were too high for cool season grass. In order to keep endophyte-infected fescue controlled the nitrogen needs to be less. Because of this, the committee agreed that for cool season grass, nitrogen would not need to be applied according to soil test, but did agree that 75 percent of the nitrogen recommendation would be acceptable and required for cool season grass pastures.

Another issue was the commission's lime requirement and the soil test requirement recommended in the SALT practice. The recommendation for the SALT practice states that if the soil test indicates a need of 600 or more pounds ENM, the lime must be applied to be eligible for payment. The commission's policy on lime in the proposed practice is identical to what it is in other practice specification that requires lime. NRCS has been certifying practices with this requirement for years so this should not cause any problems.

In regard to the commission's practices requiring a soil test within six months of the application, NRCS specifications accept soil tests that are less than four years old for the practice. It was noted that the committee was not opposed to the six-month requirement. NRCS employees can provide a variance to some of the NRCS specifications where it is known that the variance will not impair the practice's ability to function.

Mr. Baclesse pointed out that Environmental Quality Incentive Program (EQIP) has some specific requirements for program participation that fall within the NRCS technical specifications and it was acceptable for the commission's practice to be more

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 14

restrictive as long as the requirement fell within NRCS specifications. It was noted that NRCS did not feel the recommended changes in the SALT practice specification were in conflict with current NRCS specifications for these practices.

A comparison showed the differences in the incentives paid by SALT as compared to EQIP. SALT pays more per acre but limits the number of dollars, where EQIP pays \$5.00 per acre but does not have any limits on the number of acres in EQIP. The committee saw no problem with the SALT incentive compared to what EQIP pays.

In response to a question, Steve Oetting stated that the more similar they are, the better it will be long term.

Philip Luebbering made a motion to approve the recommended changes to the SALT Nutrient Management and Waste Utilization practices and the SALT Pest Management practice as provided in the comparison. Leon Kreisler seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **2. Cape Girardeau – Management Strategy Update**

Kevin Scherr presented a follow-up report regarding Cape Girardeau's Hubble Creek Agricultural Nonpoint Source (AgNPS) SALT Project that is in management strategy. A project is placed into management strategy when progress falls below the minimum rate of progress, set by the commission. Management strategy is intended to help projects get back on track in order to be successful. The Hubble Creek AgNPS SALT Project was placed in management strategy after the reporting period of July through December 2003.

On August 23, 2004, the Semi-Annual Progress Report was received for the project. The report was for the six-month period for January through June 2004. The report indicated the project had reached 21.9 percent complete, but the minimum for the reporting period was 23 percent. Because the minimum was not reached, the Hubble Creek AgNPS Project remained in Management Strategy for the second consecutive reporting period.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 15

After the June through December 2003, reporting period, the project had reached 11.4 percent of the 15 percent needed which is a difference of 3.5 percent for that time period. For the period of January through June 2004, the project reached 21.9 percent of the 23 percent needed, which is a 1.1 percent difference. These numbers indicate that the project is making progress toward their goals and if progress continued the project could be out of management strategy soon.

After meeting with program staff, the district submitted a revised plan to the program with proposed changes in the project's goals. Some of the changes included reducing practices and activities, which were not in the original proposal approved by the commission. Other changes included reducing or eliminating acres of Cropland Protection (DSL-8) and Sod Waterways (DWP-3).

Due to the district proposing to reduce or eliminate portions of their goals, the district agreed to reduce their personnel grant funds in an equivalent proportion to their goals. The amount of \$6,474.00 will be subtracted from their personnel funds for the project. The reduction will come from personnel grant funds that are budgeted for the remaining three years of the project.

When asked if the changes were acceptable, Mr. Scherr stated that they were. Sarah Fast stated they were redoing the goals to revitalize the project. When asked if their money would only be reduced by the \$6,400, Mr. Scherr stated, that was correct and it would come out of the personnel grant funds. In response to a question about how many other projects had the goals reduced, Mr. Scherr stated this was the second one where personnel funds were reduced.

### **3. Discussion of Missouri Conservation Reserve Enhancement Program (MoCREP) Addendum**

John Forsyth presented an update on the Missouri Conservation Reserve Enhancement Program and the addendum to the program.

MoCREP is funded through federal and state dollars to support partnerships in the protection of rural public drinking water reservoirs from nonpoint source pollution. A Memorandum of

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 16

Understanding on the administration of the program was signed by the systems currently participating. MoCREP works by taking cropland that is located a watershed out of production for 15 years, which reduces impurities from entering drinking water reservoirs.

There are 232 contracts to date with the average acres per contract at 56. These contracts total 13,075 acres out of the total 50,000 that are eligible to enroll.

The Soil and Water Conservation Program (SWCP) agreed to pay 25 percent cost-share on top of USDA's 50 percent cost-share to implement conservation practices in the MoCREP areas. SWCP approved 63 contracts in FY04 for a total of \$42,309, which is an average of \$671 per practice. The total acres served were 2,794, which is an average of \$15 per acre.

The addendum would enable the state to utilize the 50,000 acres contained in the original contract. The addendum would increase the number of public drinking water supplies eligible to participate in the program, increase the number of Best Management Practices (BMP) available, and utilize the Soil and Water Assessment Tool (SWAT). The addendum would also add practices that could be utilized to protect drinking water supplies. The new practices would be Wetland Buffer on Marginal Pastureland (CP30), Grass Waterway (CP8A), and Vegetative Cover – (Grass already established) (CP-10).

Mr. Forsyth informed the commission that he had reviewed CREP agreement in other states and found that load reduction goals varied tremendously from state to state.

When asked what the original appropriations were for MoCREP, Sarah Fast stated the full 50,000 acres were estimated to be approved in the amount of \$2,000,000. When asked if Missouri Department of Conservation (MDC) did half, Ms. Fast stated no it was completely SWCP funding. Brad McCord stated MDC added a \$100,000 incentive for whole field plantings, but it was used less than expected. In response to a question about how much was actually spent or appropriated, Ken Struempf stated about \$200,000 was spent on the 13,000 acres that were enrolled. When asked if there were any alternatives to the funds that were going to the public drinking water projects, Mr. Forsyth stated they were



## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 17

going to use regular cost-share to come up with the 20 percent match. In response to a question about the 100 acres limit for CP-1 and CP-2, Mr. Forsyth stated the committee thought that would look better to some because they would not be enrolling their whole farm. Mr. Struempf stated that according to review, if the limits for the CP-1 and CP-2 were not there, then the acres could be used up quickly due to new acreage allowed is roughly 90 times larger than the original acre base.

Larry Furbeck made a motion to forward the committee's suggestions to the Missouri Department of Agriculture to work with the Governor's Office. Leon Kreisler seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **3. Review of Commission Operating Policies**

Sarah Fast presented a review of the draft Department of Natural Resources Board and Commission Operating Policies. Policies were drafted by the workgroup in April 2004. The vice-chair of the Hazardous Waste Commission chaired the committee. It was requested that the draft be adapted specifically for the SWDC. Ms. Fast met with the SWCD chairman to talk about specifics. These policies should not change any statutory authority. Ms. Fast worked with the chairman of the commission to fill in the commission specific items. Items that were filled in were highlighted in red for the commission. The one item that was not answered was left blank because a policy was never set.

When asked about the one item that was not completed in regard to the number of absences that a commission member could miss, Ms. Fast stated there was nothing in the statute for it. In response to a question, the commission could not replace a member; the Governor's Office would have to do that.

It was the consensus of the commission to table the issues until the next meeting when more commission members would be present.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 18

### **F. REQUESTS**

#### **1. District Assistance Section**

##### **a. Supervisor Appointments**

##### **1. Washington SWCD**

Chris Wieberg presented a request a request from Washington Soil and Water Conservation District to appoint Joe Beffa to fill the unexpired term of Jon Boyer.

Larry Furbeck made a motion to approve the board's request. Philip Luebbering seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

##### **2. Crawford SWCD**

Chris Wieberg presented a request from the Crawford Soil and Water Conservation District to appoint Merle Stichnote to fill the unexpired term of Anna Bahr.

Philip Luebbering made motion to approve the board's request. Larry Furbeck seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

##### **b. Spencer Creek Watershed (PL-566 Watershed) Disestablishment**

Jim Plassmeyer presented a request for the commission's recognition of the disestablishment of the Spencer Creek Watershed. The watershed is a PL-556 flood protection project in Audrain, Pike, and Ralls Counties, which is federally funded and administered by NRCS. For a project to receive funding, a watershed district must to be formed, because the sponsors of the watershed need to have taxing authority and the power of eminent domain, as authorized by state statutes.

In 1970, the Spencer Creek Watershed was established. It was at that time when a flood-protecting plan was developed and it was feasible for the project to proceed. An organizational tax was collected to help get the watershed district started. After the watershed was formed, the Clarence Cannon Dam was constructed to form the Mark Twain Lake, which solved most of the flooding problems downstream. It was then that NRCS

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 19

determined it was not feasible to do any construction in the Spencer Creek Watershed area.

Since there was no construction completed in the watershed, the SWCD boards were petitioned by landowners to disband the watershed. The landowners then voted to disestablish the watershed. The funds that were collected with the organization tax, by statute, must be turned into the county commission after all expenses are paid. The tax revenues will be divided between the three county commissions, based on the percentage of land from their respective counties in the watershed area. Mr. Plassmeyer pointed out that the county commissions had said they would donate the funds back to the SWCDs.

When asked about the dollar amount, Mr. Plassmeyer stated he did not know. Some of the initial amounts were \$30,000 to \$40,000, but over the years the money had earned interest. When asked if there was any downside to not recognize the disestablishment, Mr. Plassmeyer stated that there was not.

Philip Luebbering made a motion to approve the board's request to recognize the disestablishment. Leon Kreisler seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **2. Land Assistance Section**

#### **a. Cost-Share**

##### **1. MASWCD Resolution #2 (DeKalb County) – Regular Cost-Share for Relief Wells (Bubble-ups) as a Stand-alone Practice on Existing Terrace Systems**

Noland Farmer presented a resolution that was passed by Missouri Association of Soil and Water Conservation Districts (MASWCD) at the annual meeting held in December 2003. In a letter dated July 6, 2004, the MASWCD president asked the commission to consider the request of this resolution.

Resolution #2 recommends that MASWCD encourage the Missouri Soil and Water Districts Commission to provide cost-share assistance to install relief wells, which are commonly called "bubble-up's", on existing tile outlet terrace systems where suitable grass filters are available. The resolution states that

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 20

current cost-share policy does not address replacement components on existing Terrace Systems with Tile Outlets (DSL-44).

According to the cost-share rule, as a stipulation for receiving cost-share assistance, the land upon which the practice is to be implemented or constructed, must be eroding at rates greater than the tolerable soil loss limits or be experiencing active gully erosion. Except that cost-share assistance also may be available in the following instances when excessive erosion is not necessarily occurring: 1) to prevent gully erosion when needed to complete a water disposal system, 2) to establish permanent forest cover on marginal or riparian lands, 3) to exclude livestock grazing from existing woodlands on marginal or riparian soils, 4) for no-till for forage conversions, 5) to replace the principal spillway pipe of grade stabilization structures that are over ten years old, 6) for a no-till practice to improve the vegetative cover of pasture or rangeland to provide continues erosion prevention, or 7) for a practice to demonstrate the benefits of a planned grazing system.

The DSL-44, tile terrace system practice is offered under regular cost-share as well as under approved AgNPS projects. The purpose of the practice is to control erosion on cropland and prevent or reduce pollution of water, land, or air from agricultural non-point sources. Mr. Farmer stated that when NRCS designs some of these practices, the installation of relief wells as a part of the terrace system is considered to be minimum and necessary and maybe included as part of the design.

Commission policy states that if an existing terrace system or waterway needs additional tile to preserve the life span or to control erosion, then the board can submit a request to the commission for cost-share for the installation of those components that are technically necessary. The policy also provides cost-share to restore a practice to NRCS standards and specifications that control excessive erosion that fails through no fault of the landowner.

Mr. Farmer stated that staff did not feel that the current policy addressed the needs identified in the resolution. According to the resolution, the installation of relief wells is an outstanding practice only recently adopted, but commonly used on many terrace projects as a nutrient and pesticide practice. Mr. Farmer stated that

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 21

in talking with Mr. Struempf, the SALT Unit Manager, he learned that districts seeking approval of AgNPS projects had expressed interest in such a practice. According to Mr. Struempf, his staff was researching such a practice, and if offered, the practice would be considered a water quality practice, and offered only in SALT watersheds.

When asked if SALT was looking at this, Mr. Farmer stated that was correct. Ken Struempf stated they had had a couple of districts inquire about the use of bubble-ups but that the SALT Program did not have a stand-alone practice for this. Philip Luebbering asked if these practices were to put this on a practice that was currently working, Mr. Farmer stated that was his understanding. Steve Oetting stated that it was DeKalb's request that it be added to the docket so that existing systems could use it. Mr. Oetting stated that it was probably more of a clean water issue than a sediment issue. Mr. Oetting asked if a filter strip was already enrolled in Conservation Reserve Program (CRP); they would not be eligible for cost-share, which Mr. Struempf confirmed. Mr. Luebbering stated his concern was to put them in place where there is already a working system that would be more of a maintenance issue that would fall under the ten-year contract. Larry Furbeck asked why they were being used in the first place. Dwaine Gelner stated they were being installed as a water quality practice. When asked how effective bubble-ups were, Dick Purcell stated he did not know if he could calculate their effectiveness in terms of water quality treatment. Philip Luebbering stated that if you put it in on a new system you would get erosion control and water quality, but going back on an old system you have to justify modifying the old system strictly for water quality. When asked if an acre limit or time period would need to be added for it to fall under an exception on existing systems, Mr. Bozoian stated that as a system it would be doing both. Mr. Farmer stated that damaged systems no longer met NRCS standards and specifications and that the damaged system no longer served its intended function.

Larry Furbeck made a motion to take no action, pending availability of management data from a similar AgNPS water quality practice. Philip Luebbering seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 22

### **2. Moniteau SWCD – Practice Completed Prior to Board Approval**

Marcy Oerly presented a request from Moniteau SWCD asking the commission to allow cost-share payment for a waterway that was completed prior to board approval.

Commission policy states, “Landowners that start a practice before receiving official notification of approval from the board are not eligible to receive cost-share, and cannot be approved for a cost-share incentive payment.”

In a letter dated October 21, 2004, the board explained that on July 21, 2003, Mr. Hays’ waterway was staked. On September 30, 2003, a cost-share application was filled out, but not approved by the board. The application had a termination date of March 25, 2004. On October 17, 2003, Mr. Hays notified the office that he would not be able to complete the waterway by the March 2004 deadline. Mr. Hays stated that he wanted to wait until July or August of 2004 to begin work on the waterway. On October 20, 2003, Mr. Hays’ application was canceled. Mr. Hays was notified that cost-share assistance would not be available until after July 1, 2004 and that work could not be started until his application was approved by the board. The board felt they had made Mr. Hays aware of the proper procedures, but that he may have been confused about the policies as indicated in his letter to the board.

The landowner received his construction plans sometime between July 31, 2003 and July 27, 2004. The district manager stated that Mr. Hays had indicated he might construct the waterway on his own.

On July 27, 2004, Mr. Hays notified the district office that the waterway was underway and wanted a technician to visit the site to inspect the contractor’s work. Mr. Ric Heckman, an NRCS Resources Conservationist, visited the site and reminded Mr. Hays that he did not have approval for cost-share. On July 29, 2004, the earthwork was completed and met NRCS specification and on August 25, 2004, the critical area seeding was completed and it met NRCS specifications.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 23

In a letter from Mr. Hays, he stated that due to workload conflicts, he notified the district in October of 2003, that he did not want to start construction at that time, but that he would wait until July or August of 2004 to begin. According to Mr. Hays, he was advised not to start until after July 1, 2004 because of the new fiscal year. Mr. Hays believed that because he had the cost-share application from 2003 and waited until after July 1, 2004 to begin work on the waterway, that he was approved for cost-share.

Carl Allee, Chairman of the Moniteau SWCD, stated that as a board they did not know what had transpired in regard to Mr. Hays stating he was going to go ahead do it without cost-share. When asked if the landowner had been told not to start until he had approval, Mr. Allee stated that was the way he understood it, but he did not know if Mr. Hays was told that he had to go back to the office and make a new application for the following year. According to Mr. Allee, D.J. Schroder released the plans to Mr. Hays after he told the district manager that he would do it on his own. Larry Furbeck asked Mr. Allee if he thought that the claim should be paid. Mr. Allee stated that their question was should the landowner be denied if there were mistakes in their office. Mr. Allee informed the commission that he did not know if mistakes were made. When asked if plans are routinely released before applications are approved or signed, Mr. Allee stated that this is not normally the procedure, but they do have some landowners that do their own work. Steve Oetting asked how familiar Mr. Hays was with the cost-share program and Mr. Allee stated that he had only used the DSP-3 and the waterway was staked before the DSP-3 plan was developed.

When asked if he told the district office that he was going to do the work on his own, Mr. Hayes stated he did not think that he had. In 2003, the waterway was drawn up and he did not want to get involved with seeding the waterway in the fall because you need to till and mulch. That was when he canceled the application, but did not know the application would not carry over. He stated that in July, he went ahead and did the work thinking the application would carry over. Mr. Hays stated he was told not to start anything until July 1, so when it got dry enough he started the work.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 24

Leon Kreisler asked if Mr. Hays needed a new application or an extension of the original application, Sarah Fast stated that Mr. Hays had been canceled.

Leon Kreisler made a motion to provide the board a variance to rule 10 CSR 70-5.020 (2) that states in part: "The district's board will act upon only those applications for eligible practices on which construction or implementation has not yet begun." Larry Furbeck seconded the motion. When polled, Larry Furbeck, Leon Kreisler, Philip Luebbering and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **b. Special Area Land Treatment (SALT)**

#### **1. Maries SWCD – Purchase a Truck with Field Equipment Funds**

Davin Althoff presented a request from the Maries SWCD to purchase a truck using a combination of SALT funds from the Upper Big Maries AgNPS SALT.

It was noted that the commission already set a policy to allow stand-alone districts to purchase vehicles using only the matching grant funds. Only one stand-alone district had purchased a vehicle using those funds.

Of the original \$25,000 budgeted for the purchase of field equipment, \$5,560 remains. This amount was left after the district purchased a no-till drill and a mulcher. If the remaining funds are not approved for the purchase of a truck, they may be moved to SALT cost-share.

Items currently eligible to be purchased as SALT field equipment are items that can be used or rented by landowners within the district to provide some type of conservation benefit to the land. These eligible items have the potential to provide an educational benefit to farmers who may not own or regularly use a particular piece of equipment available through the district.

The purchase of a truck with SALT funds would require the district to incur costs associated with maintenance such as gas, oil changes, lube, mechanical failures, tires, and liability insurance. It was noted that one district had claimed truck insurance on the



## MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION

November 4, 2004

Page 25

SALT report but staff denied it in accordance with commission policy. Mr. Althoff reported that by approving the request, a precedent could be set for other districts to purchase vehicles with SALT funds.

In response to a question as to why it needed to be a truck rather than a personal vehicle, the district responded that some of the area that needs to be accessed is rough. When asked if Maries was a stand alone, Sandy Hutchinson, Maries SWCD, stated they were, and did not have daily access to an NRCS vehicle. Ms. Hutchinson informed the commission that the district technician has a car, which makes it difficult to get into some fields. When Elizabeth Brown asked about equipment that had to be used for the benefit of the SALT project, Mr. Althoff stated that currently the SALT field equipment that is funded, provides a direct conservation or educational benefit to the landowners within the district. Ms. Hutchinson stated the remaining SALT funds would not purchase the vehicle and that was why they proposed using the remaining matching grant funds. The district was also aware they could not use any SALT funds or administrative funds to maintain the vehicle; local funds would be used for that. Philip Luebbering stated he understood their reason, but was concerned about this precedent it would set. Mr. Luebbering asked what kind of precedent would it set, Ken Struempf stated it depended on the number of stand-alone districts. He reminded the commission that in the past, landowners have been able to rent the equipment, and this would set a precedent for others to purchase trucks. When asked how many stand-alone districts have SALT projects, Mr. Althoff stated there were at least three. Larry Furbeck asked how they were handling transportation problems, Mr. Althoff stated they currently reimburse employees for mileage.

Larry Furbeck made a motion to approve the board's request to purchase a truck using the remaining SALT field equipment funds for just this one stand alone district, which will use the balance of their equipment budget for a vehicle. Philip Luebbering seconded the motion. A poll vote was taken. Larry Furbeck, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and Leon Kreisler voted against the motion. The motion passed.

*The following comments were made later in the meeting, but due to the issues, they were moved up.*

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 26

Harry Bozoian stated that under sovereign mutiny, the state is sovereign and cannot be sued unless there are certain exceptions. One of the exceptions is dangerous condition of real property; the second exception is vehicles. The fact that a board would be allowed to purchase a vehicle on behalf of the commission to carry out commission policy and practices may impose liability on the commission. Mr. Bozoian asked that the commission table the issue of Maries request to purchase a vehicle until he could look into it. When asked if the other equipment purchased would cause liability, Mr. Bozoian stated that it would not to the extent of a vehicle. Mr. Bozoian asked if other districts owned vehicles, and the answer was yes.

Larry Furbeck made a motion to table the Maries' board's request to purchase a truck using the remaining SALT field equipment funds until the commission receives a report from Harry Bozoian. Leon Kreisler seconded the motion. When asked by the chair, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

### **G. FOLLOW-UP**

#### **1. District Consequences for Exceeding Commission Limits Established in DSP-2/DSP3 Policy**

Marcy Oerly presented an overview of the Permanent Vegetative Cover Enhancement (DSP-2) and Planned Grazing Systems (DSP-3) policies concerning time, money, and acre restrictions.

Ms. Oerly reminded the commission of the Wright SWCD reappeal that asked the commission to approve a variance to their policy and allow a landowner to receive cost-share for a DSP-3 practice when the four-year participation time frame had expired. At that time, the commission chose to maintain current policy because the landowner had not started the practice and the application was not approved. The commission has been consistent in approving appeals where the landowner completed the practice and rejecting requests where the landowner had not yet started. Because of this, it was suggested that the commission might want to consider putting a cost-share penalty on districts that approve landowners who are outside the commission's DSP-2 or DSP-3 policies concerning time, money, or acre limitations.

An alternative presented to the commission was that in cases of appeal where a district board approved a landowner that was outside the commission's DSP-2 or DSP-3 policies concerning time, money, or acre limitations, the program office staff will process the claim. However, the commission will deduct the cost-share that the landowner is due to receive from the district's cost-share allocation. In instances where the district's allocation has already been fully obligated, the cost-

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 27

share funds would be deducted from the district's cost-share allocation for the next fiscal year. Ms. Oerly explained that implementing this policy would not penalize the landowner, but may persuade the districts to more carefully check a landowner's eligibility before approving them for cost-share. Ms. Oerly pointed out that if a district is not sure that a landowner is eligible, then they can contact the program office to check the landowner's name in the database.

Elizabeth Brown stated the new policy would eliminate this issue from coming to the commission.

Larry Furbeck made a motion to adopt the new policy. Philip Luebbering seconded the motion.

When Leon Kreisler asked if there were other practices that had time, acre, and money limits, Ms. Brown stated not to the extent of these. Mr. Kreisler stated he thought any program could fit into this, not just these two. Ms. Oerly stated no others had the four-year limitation. Ron Redden stated he thought it would be good for these two practices to have it in the handbook, so the district knew up front what would happen if they approved an application after the four-year limit. Mr. Redden stated if it was a written policy, then the program office could approve the claim, for example for a DSP-3, and then deduct that amount from the district's next year's allocation. If a district had an objection to their money being reduced, then they could come to the commission. Mr. Kreisler questioned that if that was the case, then why couldn't they approve anything they wanted to and just take it out of some of the other funds. When Philip Luebbering asked if the money would come from their present cost-share, then Mr. Redden stated that if they were not fully obligated, then the funds would be taken from this year's funds. If the district's cost-share was fully obligated, then the funds would come from their next year's cost-share allocation. Mr. Luebbering stated that if a district did not spend all their money then this would not affect them. Mr. Redden stated that was correct; if a district did not spend all their cost-share money, they would not really be penalized.

When polled, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

## **H. REPORTS**

### **1. NRCS**

Dwaine Gelnar presented a report on the FY05 Conservation Security Program (CSP). Nationwide, 202 watersheds have been selected to participate; six of those watersheds are in Missouri. The sign-up should begin in January or February. The

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 28

FY04 CSP signup in the Little River Ditches watershed was very successful. The watersheds that were selected for FY05 are the North and South Forks of the Salt River, Black Water, the Platte River, the Lower St. Francis, and the New Madrid St. Johns.

An initial FY05 allocation for Farm Bill Programs has been received for EQIP, WRP, and WHIP and signup will begin in November. Details for the Grassland Reserve Program (GRP) will be available sometime in the future.

Selections for the Conservation Reserve Program (CRP) were announced. More than 85 percent of Missouri applications were selected, covering approximately 50,000 acres around the state. Those contracts will not be in effect until either October of 2005 or October of 2006.

The Department of Agriculture changed the EQIP Program to be administered only by NRCS. In the past, the Farm Service Agency and NRCS jointly administered the program.

### **2. MASWCD**

Steve Oetting reported that on September 23, 2004, MASWCD met with the Citizens Committee near Columbia. He felt that they had done a good job showing the parks people how the money is spent on the soils side and what it is meant to do. There was a tour of a couple of locations.

The MASWCD conference is scheduled for November 29, 2004 through December 1, 2004, and encouraged everyone to attend if possible. Mr. Oetting also announced several NACD meetings that will be taking place. One will be coincide with the Training Conference in Dallas so Missouri will not participate. The North Central region will meet in Chicago, on January 6<sup>th</sup> and 7<sup>th</sup>. The Annual NACD meeting will be in Atlanta, February 5<sup>th</sup> through the 9<sup>th</sup>.

### **3. Staff**

Ron Redden reported the commission had received letters from several boards regarding the cancelled check policy. Mr. Redden stated he had tried to answer the questions that each board had. He also pointed out that there would be two workshops at the Training Conference to answer questions pertaining to cancelled checks. Ed Schneider from the DNR Internal Audit Program will be there to discuss issues from the state auditor's standpoint. There will also be three districts that currently require cancelled checks participating, to explain why their boards require them.

## **MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 29

Mr. Redden reported that of the 65 districts that were asking for the additional funds, all but five took the full amount of \$68,000. There is approximately \$24,000,000 available to the districts. If they claim close to 84 percent as they have been claiming for the last five years, they should claim very close to 100 percent of the \$20,250,000 cost-share appropriation.

Sarah Fast reported there was a letter from MASWCD regarding Resolution #5 from Gasconade County. Ms. Fast reminded the commission that they had already addressed the issue. Steve Oetting stated they were changing their resolutions into a policy manual. When they get a resolution that hit the same subject year in and year out, they will refer back to the policy. If it supports current policy and is acceptable with the district that submitted the resolution, then those resolutions will no longer be brought to the commission.

Bill Wilson reported on the Training Conference that will be held at the end of the November. He handed out the current information on the conference and advised the commission that the same information is available on the programs web site. He reminded the commission that the joint meeting with MASWCD Board of Directors will be on Monday, November 29<sup>th</sup>, and the commission meeting would follow. Mr. Wilson proceeded to cover more of the conference regarding workshops, times, and speakers.

Mr. Wilson stated a bid was prepared and several proposals were received from Certified Pubic Accounting firms for the contract audit process. The four firms that were selected will meet with program staff to finalize plans to start auditing the districts. The contract is a three-year renewable contract.

Mr. Wilson reported the program would provide \$15,000 to help support the national 2005 Canon Envirothon in addition to staff support.

### **I. PUBLIC COMMENTS**

Elizabeth Brown stated that under the provisions of the new Sunshine Law, then the floor is to be opened up for public comment. Due to no comments, the meeting proceeded.

### **J. SUGGESTED DATES OF NEXT MEETINGS**

The date for the next commission meeting was set for Monday, November 29, 2004, beginning at 9:30 a.m. at Tan-Tar-A in the Parasol I/II Meeting Room in Osage Beach, Missouri. January 25, 2005 and February 17, 2005 dates were tentative.

**MINUTES, MISSOURI SOIL & WATER DISTRICTS COMMISSION**

November 4, 2004

Page 30

Elizabeth Brown asked if there were any plans for the commission to travel in the coming year. Sarah Fast stated that she was not aware of any plans. Ms. Brown asked if any of the commissioners would want to go to Macon, since that trip was cancelled last year.

Brad McCord, stated the Private Land Services Division of the Conservation Department would like to request making a presentation to the commission on the changes taking place.

**K. ADJOURNMENT**

Philip Luebbering moved the meeting to adjourn. Larry Furbeck seconded the motion. Motion approved by consensus at 2:42 pm.

Respectfully submitted,

Sarah E. Fast, Director  
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman  
Missouri Soil & Water Districts Commission

/tm